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SUBJECT: Trilateral Land Exchange Revisited

REF: 2004 TEL AVIV 1952; 2004 Tel Aviv 2552 (notal); 2004 TEL AVIV
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¶1. (SBU) Summary: Hebrew University Geography Professor Yehoshua Ben-Arieh shared his trilateral land swap (IS-PAL-EGY) idea with the Ambassador and ECON/C on June 13, the general contours of which remain basically as it was unveiled in 2004 (see main points below).

Ben-Arieh has previously briefed U.S., Israeli, Palestinian and Egyptian officials on his plan, elements of which have been promoted by individuals ranging from Kadima MK Otniel Schneller (septel) to former National Security Council head Giora Eiland (reftels). End Summary.

¶2. (SBU) In his latest pitch for a three-way exchange of territory between the Palestinian Authority (PA), Israel and Egypt, Ben-Arieh acknowledged the many challenges that would have to be overcome to implement his plan, including: economic costs (of developing Gaza, building corridors between WB and Gaza and between Jordan and Egypt); political leadership (Hamas control of Gaza and Mubarak's risk-adverse reign in Egypt). But he argued that progress in the West Bank was contingent on making Gaza viable. Ben-Arieh discounted less ambitious land swap ideas (including those put forward in the Geneva Accord of 2003) as insufficient to create a viable economy for Gaza, which could conceivably serve as a magnet for Palestinian refugees if endowed with additional coastline, a deep-water port, an inland airfield, and off-shore gas fields and fishing resources. Additionally, a direct connection between the Egyptian Sinai and Jordan (via a sunken road corridor across Israel) could allow President Mubarak the opportunity to realize former Egyptian President Gamal Abdel Nasser's dream of creating a "Dar al-Hajj" from Cairo to Mecca. Compensation for valuable Sinai coast could be meted out in the form of international assistance for Egyptian efforts to modernize the Suez Canal.

¶3. (SBU) Ben-Arieh responded to questions of political feasibility by noting that exchanges of territory are accepted practice in the Arab world (e.g. Jordan/Saudi Arabia land swaps in the 1960's and more recently). He averred that Israel could transfer land to the PA, which could, in turn, swap Negev land for Sinai coast near Rafah (see details in paras 6-10 below), thereby eliminating any direct Egypt-Israel deal that could be problematic to the Egyptians. Alternatively, Egypt might be able to condition its agreement to a trilateral swap on an Israeli-Palestinian final status agreement. Ben-Arieh indicated that Egyptian contacts -- he claimed to have discussed the ideas with Mohammed Bassioni and Omar Suleiman -- had refused to embrace an Israel-origin plan, which led Ben-Arieh to believe that the Quartet would be a more appropriate vehicle for broaching such ideas.

¶4. (SBU) In response to our questions about security implications of an enlarged Gaza, Ben-Arieh noted that a 5km buffer zone between

the enlarged Gaza and its new borders with Egypt and Israel would contain the smuggling threat that currently exists along the Philadelphi Corridor. He clarified that many of the anticipated projects (port, airfield, etc.) would be contingent on a final status agreement, not an Oslo-like series of interim steps that would put Israel in the uncomfortable position of "giving, giving, giving" without requisite security assurances.

¶15. (U) In response to Econ Counselor questions about costs associated with his plan, Ben Arie acknowledged that he had not prepared any economic analysis of the costs of land swaps, economic development, or sunken corridors -- costs which he said the international community would have to consider.

(U) Main Elements of Ben Arie's Swap Plan

¶16. (U) Israel will cede to Egypt an area of 200-500 square km. in the southern Negev, in the Nahal Paran region bordering Sinai, approximately opposite Kuntilla, which will be annexed to Egypt. The security arrangements, which apply at present to the region of Sinai adjoining this area, in line with the peace agreement between Israel and Egypt, will also apply to this area.

¶17. (U) Israel will cede to Egypt a highway corridor from the extremity of the area that is to be annexed to Sinai toward the Kingdom of Jordan, which will permit the construction of a multi-lane automotive highway, a railway, and adequate area for laying fuel, water pipelines, and communication.

¶18. (U) In return for the area and passage that will be ceded to Egypt from Israel, Egypt will agree to cede to the PA an area similar in size and even larger because of the strategic passage it will get (between 500-1,000 sq. km.). This area will be south of Rafah in the Gaza Strip along 20-30 km. of coastline from the present Israeli-Egyptian border toward El-Arish, extending inland into Sinai.

¶19. (U) In return for the area that is to be received by the PA in Sinai from Egypt, an area of similar size will be ceded by the PA to Israel beyond the line determined by the armistice agreement which was signed between Israel and Jordan in 1949 and which was in effect until June 4, 1967.

¶110. (U) The precise demarcation of the area to be annexed to Israel beyond the lines of June 4, 1967, and as a corollary the permanent border between Israel and the PA, as well as the determinations concerning the city of Jerusalem and its environs, will be made as part of additional steps to be agreed upon in advance of the signing of the peace agreement between Israel and the PA.

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Ben Arie's Win-Win-Win Rationales for the Swap
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¶111. (U) The Gaza Strip today, covering only a small area, suffers from over-crowding and poverty, with no possibility of self-sustainability. The plan calls for the addition of territory which will allow the Strip to evolve from being an economic and demographic burden into an area with considerable natural resources and land, thus enabling the Palestinians to establish a sustainable state, economically and culturally in both Gaza and in the West Bank.

¶112. (U) Israel would receive Jewish neighborhoods in East Jerusalem, the large blocks of Jewish settlement close to the Green Line, and some small vital areas in the West Bank. The transfer of these vital areas would have to be agreed upon between the two sides.

¶113. (U) Egypt would receive a land and road connection to Jordan, and thus land access to Jordan's neighbors, Saudi Arabia, Syria and Iraq. Moreover, it will enjoy additional economic benefits as well as earning a position of leadership in the Middle East and elevated status in the world.

COMMENT

¶14. (SBU) The plans of a passionate Israeli geographer display creative non-official Israeli thinking about a two-state solution to the Israeli-Palestinian conflict; however, Ben Arie's proposal for making Gaza larger/viable via land swaps involving Egypt was unrealistic -- even before Hamas took over Gaza. To our knowledge, Palestinian interlocutors are not pushing for such a plan, and we are doubtful that West Bank Palestinians would be willing to make border concessions to Israel (i.e., settlement blocks) that would only result in territorial gains for their Gazan brethren. Counting on Egypt to make territorial concessions is another non-starter, and Ben Arie's plan ignores the difficulties of redrawing borders in the Sinai sands and the complexity that adding a third party would bring to Israeli-Palestinian negotiations.

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